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MAYOR JERRY SANDERS FACT SHEET

MAYOR ANNOUNCES \$103 MILLION BOND FUNDING TO ADDRESS DEFERRED MAINTENANCE

Street, Facilities Projects Will Put San Diegans to Work

Mayor Jerry Sanders today announced pricing has been set on a \$103 million private bond funding to address long-deferred maintenance on city streets, storm drains and public facilities such as fire stations, libraries and park facilities.

“I’ve made repairing crumbling infrastructure in our communities a top priority because it’s a priority for San Diegans,” said Sanders. “This financing will allow us to continue to address a backlog of needed capital repairs, and it has the added benefit of providing jobs for San Diegans in these tough economic times.”

Funds from the financing have been allocated as follows:

- Street resurfacing (78 miles) – \$54.37 million
- Sidewalk repair (2,316 projects) – \$9.55 million
- Storm drain replacement/repair – \$13.9 million
- Facilities maintenance/repair – \$24.8 million

The financing, which will net construction proceeds of \$102.7 million, was conducted as a private placement with Bank of America. The 10-year lease revenue bond obligation, authorized by the City Council last spring, has an interest rate of 3.89 percent through June 1, 2010. This rate compares favorably with a 10-year publicly issued debt offering.

The financing will enable the city to proceed quickly on needed projects and to benefit from historically lower construction costs. Financial staff will be working over the coming months on the financing plan to refund this borrowing through long-term bonds in the public market.

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